



CITY COUNCIL

Committee of the Whole

Monday, November 22, 2010

Council Office

4:30 pm

Agenda

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee of the Whole meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the President of Council.

I. Budget Review

II. Agenda Review

COMMITTEE of the WHOLE
CITY COUNCIL

MINUTES
November 1, 2010
4:30 P.M.

COUNCIL MEMBERS PRESENT:

D. Sterner, F. Acosta, D. Reed, S. Marmarou, M. Goodman-Hinnershitz, V. Spencer, J. Waltman

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, C. Geffken, C. Weidel, J. Miravich

Mr. Spencer called the Committee of the Whole meeting to order at 4:41 p.m.

I. Executive Session

Council entered executive session at 4:41 pm to discuss a possible land sale. Council exited executive session at 5:13 pm.

The meeting adjourned at 5:13 pm.

Respectfully
Submitted
Linda A. Kelleher, CMC
City Clerk

COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
November 8, 2010
4:30 P.M.

COUNCIL MEMBERS PRESENT:

F. Acosta, D. Reed, S. Marmarou, M. Goodman-Hinnershitz, V. Spencer

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, C. Geffken, C. Weidel, F. Denbowski, D. Cituk, W. Heim, D. Wright, D. Robinson, T. McMahon

Mr. Spencer called the Committee of the Whole meeting to order at 4:45 p.m.

I. CDBG Budget

Mr. Robinson explained that applications for funding were due at the end of July. He stated that the funding for DID has been removed and that playground priorities have been discussed with Councilors. He stated that the median landscaping for the 400 and 500 blocks of Penn St may change depending on the recommendations of the Downtown 2020 Committee. Any funding less than the \$65,000 earmarked will be reprogrammed to another project.

Mr. Robinson explained that BCTV is eligible to receive CDBG funding and has received funding in the past. He stated that the \$75,000 earmarked is from Administrative funding.

Mr. Robinson explained that this budget is a fluid document and changes may be requested in the future depending on the actual project costs and the speed the projects are completed.

Ms. Goodman-Hinnershitz questioned if the funding of the NEAR center at Pendora Park was at the same level as prior years. Mr. Robinson stated that it was.

Ms. Goodman-Hinnershitz questioned if the library programming has been moved from the Main branch to the Southeast branch. Mr. Robinson stated that it was.

Ms. Reed noted her discomfort with funding \$65,000 for the medians on Penn St. She expressed her belief that this funding would be better spent assisting homeowners with major system repairs. Mr. Robinson explained that the major system repair program is capped at the HUD mandated funding level for the action plan.

Ms. Reed questioned if the funding for the median project could be reallocated to the library. Mr. Robinson suggested amending the title of the line item to allow Public Works to use the funding as they see necessary for repairs to Penn St.

Ms. Goodman-Hinnershitz noted her discomfort with the arbitrary amounts included in the plan. She noted the many needs of the community and suggested that a community group work on the medians in the interim to allow this funding to be better spent elsewhere.

Mr. Marmarou questioned if the Codes PMI line item was new. Mr. Robinson stated that it was not new but that the amount has been increased to lessen the burden on the general fund budget.

Mr. Marmarou questioned how much the City will receive through the new quality of life ticketing. Mr. Robinson stated that the Administration hopes that the program will be self-sustaining but explained that this line item is unrelated to that system.

Mr. Spencer requested clarification on the median project. Mayor McMahon stated that the median will be removed to allow better movement, better visibility and increased safety.

Mr. Marmarou expressed his belief that some neighborhoods are in much worse condition than the downtown area and as there has been no progress seen; this funding would be better utilized to support neighborhoods.

Mr. Spencer noted his concern with the median project. Mayor McMahon noted that this project needs to be done.

Ms. Reed stated that DID has done some work on the medians and that they are now in better condition. Mayor McMahon stated that DID has very limited resources.

Ms. Reed expressed her belief that funding to BCTV should be removed and that she would rather see this funding be used at the libraries. She stated that she will not support the Action Plan if that funding remains.

II. Budget Review

Ms. Kelleher distributed a list of adjustments made to the original budget figures based on meetings held to date. Mr. Geffken reviewed the handout.

Mr. Spencer stated that the Police positions have been restored to a 174 man level and questioned if officers who had been laid off in the past would need to be recalled. Chief Heim stated that all officers have been restored and new officers would need to be hired.

Mr. Acosta questioned if there were students currently enrolled at the Academy. Chief Heim stated that there were not.

Mr. Marmarou questioned the optional portion of the Police pension. Mr. Cituk explained that there is an optional portion for officers hired before 1984.

Mr. Waltman arrived at this time.

Mr. Spencer questioned the increased revenue from Admission fees. Mr. Cituk explained that this funding level is based on recent trends.

Mr. Acosta requested an update on the increased collection rate of EIT. Mr. Geffken stated that he has not been able to complete this as it was only requested on Saturday.

Ms. Goodman-Hinnershitz noted the need to address collection issues. She noted that this is critical to ensure budget success.

Mr. Waltman expressed his belief that before a property tax increase of 20% is proposed that the Administration should have a plan to collect all taxes from everyone.

Mr. Spencer questioned when the Administration would be planning to study collection practices. Mr. Geffken stated that all policies will be reviewed after the budget process is complete.

Mr. Spencer stated that with the budget adjustments the proposed property tax increase has gone from 22% to 20%. He noted that once the property tax rate is set for 2011 no changes can be made and collection of all taxes needs to be increased over current

levels. Mr. Geffken stated that he has not had time to work on this issue. Ms. Weidel suggested that Berks EIT come to a future meeting to explain their collection process.

Ms. Reed expressed the belief that Berks EIT should be able to better track people since they have more resources.

Mr. Waltman reminded Council that the unfunded debt would add \$2.2 million dollars to the budget in 2011. He stated that collection of EIT should be a priority.

Ms. Goodman-Hinnershitz stated that EIT collection is a priority but stated that there is a large workload with many priorities. She noted the need for the Administration to sequence their priorities.

Ms. Goodman-Hinnershitz questioned if the unfunded debt was due to collection issues or accounting issues. Mr. Geffken stated that it was due to accounting issues.

Ms. Weidel stated that she had a plan for better collection of EIT but no personnel to perform it. She stated that lack of personnel prevented better collection. She noted that Berks EIT will be able to pursue those found who have not paid.

Mr. Spencer voiced his concern that this issue was not addressed for many years. He questioned why Council was not informed of the need for additional personnel. Ms. Weidel stated that she repeatedly informed the Administration that personnel were needed.

Mr. Acosta stated that the amount being discussed is approximately \$40,000 per quarter. He noted the need to have a collection plan and to continue looking at the bigger picture. He noted the need for improvement in this area as the City needs millions of dollars. He suggested that the Finance Committee follow up on this issue beginning in the second quarter of 2011.

Mr. Acosta questioned the adjustments made to the pension line items. Mr. Geffken stated that the adjustments were calculated based on the recent report on the MMO and the research of Mr. Cituk.

Mr. Acosta questioned the police manning levels. Mr. Geffken stated that 174 officers will be maintained. Chief Heim thanked Council and the Administration for working to restore these positions. He noted that response times have increased due to the decrease in manpower.

Mr. Marmarou questioned if the restoration of positions may reduce the number of retirements in 2011. Chief Heim stated that he was unsure and that recruits are needed

to keep manning levels up.

Mr. Marmarou questioned the time needed for a new recruit. Chief Heim stated that recruits are in the Academy for five months and require four months of field training. He noted that the time can be reduced if the recruit is already an officer in another municipality.

Ms. Kelleher and Mr. Spencer stated that members of the FOP are concerned with possible changes to their collective bargaining agreement. Mr. Geffken stated that the concerns were also received by the Administration and will be addressed. Mr. Spencer and Ms. Kelleher stressed the need for the Administration to put assurances to the FOP in writing.

Mr. Acosta questioned if 174 officers was enough. Chief Heim expressed his thanks and stated that he is grateful to have 174.

Mr. Marmarou questioned if benefits would be changing for new officers hired. Mr. Geffken stated that their benefits and salary would change.

Ms. Goodman-Hinnershitz stated that many employees are uncertain about their future benefits and that some may leave as a result. She questioned if the City would be transferring investigations to the County if the positions are restored. Chief Heim stated that he would like to retain investigations in 2011 and re-evaluate it in the future.

Mr. Acosta questioned if the property the tax collection information was received from the County treasurer. Mr. Geffken stated that he has received the requested information from the County. He stated that this information will be shared with Council at the budget meeting on Saturday.

Ms. Kelleher questioned the Albright training included in the HR budget. Mr. Geffken stated that Ms. Hummel is working with Albright and stated that the training includes supervisory training.

Ms. Kelleher suggested that the City fee be waived and Albright consider this as part of their PILOT. Mr. Geffken stated that he will address this issue.

Ms. Goodman-Hinnershitz noted the need to address the PILOT issue. She stated that all PILOT agreements should be reviewed and updated.

Mr. Cituk stated that Albright has not made a contribution in several years. He stated that PILOTs in general have been trending down for the past five years. He noted his willingness to send letters to City non-profits.

Mr. Denbowski explained that he is working with a committee to plan a PILOT strategy. He stated that case law will also be examined. He stated that he will update Council within a month.

Mr. Acosta questioned who was on the committee. Mr. Denbowski stated that it is an internal committee but that guidance will be sought from Council in the future.

Mr. Spencer stated that the budget contains an increase of \$25,000 in PILOT payments and that a strategy is needed. He noted that the YMCA provides a reduced membership rate to City employees. He stated that this should be documented as a PILOT.

Ms. Goodman-Hinnershitz stated that the Board of Assessments has ruled that property owned by these non-profits is taxable and agreements have been made with some of these entities.

Mr. Marmarou suggested that the City reach out to non-profits and meet new community leaders.

Mr. Acosta suggested a letter be sent. Ms. Reed suggested that Councilors personalize letters to those located within their district. She also suggested that the letter explain how the PILOT payments will assist the City.

Mr. Acosta agreed with Ms. Reed and suggested that if this is explained payments may increase.

Mr. Acosta announced that a budget meeting will be held on Wednesday at 4:30 pm.

III. Agenda Review

Mr. Edelman arrived at this time.

Council reviewed this evening's agenda including the following:

- Ordinance clarifying language regarding Council approval of transfers to and from all City fund accounts

Mr. Waltman explained that this further clarifies the need for Council approval of certain transfers to and from funds and accounts. He noted his willingness to table this ordinance until all financial policies are reviewed.

Ms. Goodman-Hinnershitz requested the amount of transfers this would involve and suggested that it be tabled until that information is received.

- Ordinance approving the unfunded debt

Mr. Waltman stated that he has two amendments to propose. Amendment one requests that Council approve the spending of the proceeds and amendment two concerns liability language contained within Exhibit B.

Mr. Younger stated that amendment one cannot be made as this permission was already granted in the resolution passed by Council. Mr. Waltman stated that these are normal controls already in place but would like the Administration's assurance that they are followed.

Mr. Edelman explained that the language in Exhibit B protects Council from being held personally liable for the City's debt. He stated that this language is included in all bond ordinances.

Mayor McMahon stated that amendment one is too open-ended. He stated that this would bog the Administration down and that Council would become too involved in day to day operations.

Ms. Goodman-Hinnershitz voiced her concern at changing language prepared by the City's bond counsel.

Mr. Waltman expressed his belief that this would not delay the process as it was already part of the City's policies but that it would assure Council about how the unfunded debt proceeds were spent. He stated that the lack of following these policies in the past created the need for the unfunded debt loan.

Mr. Spencer noted the need for Council to know the specific amounts. Mr. Geffken reviewed the amounts as given to Council in the past including \$7 million to the sewer fund, \$3.5 million to the general fund which was used to partially repay the sewer fund, \$2.2 million for pension payments, payments for the EIT shortfall and the general fund deficit.

Mr. Younger stated that the resolution authorizing the City to seek permission for the unfunded debt contains authorization of payment in Section 4.

Mr. Spencer questioned who would be responsible for making the payments. Mayor McMahon stated that he and Mr. Geffken would be responsible.

Mr. Acosta stated that he understands the concerns of Mr. Waltman and agreed that policies are needed. However, he also understands that the resolution has already granted the Administration permission to use the funds. He requested that the Administration report to Council on the final amounts and how the funds were spent.

Mr. Waltman explained his rationale to try to tighten the current controls which were previously overlooked. He stated that current policies were not followed.

Ms. Goodman-Hinnershitz questioned if this amendment would change behaviors.

Mr. Acosta stated that the Administration is incompetent if they repeat this mistake.

Mr. Spencer stated that this amendment would be for this bond only.

Ms. Reed questioned how Council would oversee the funding of the deficit. Mr. Spencer explained that Mr. Geffken cited specific payments and amounts to the Judge. He explained that the Judge questioned why \$20 million was requested if \$16.5 million was needed.

Ms. Reed expressed her belief that it was a cushion in case amounts changed in the interim.

Mr. Younger explained that that is the case but that \$16.5 million will be used.

Mr. Marmarou stated his belief that the deliberations were becoming political and requested that the meeting move forward.

Ms. Goodman-Hinnershitz questioned if the Judge specified how the funding could be spent in his decision. Mr. Younger stated that he did not but that the amounts were the basis of the case.

Mr. Waltman reminded Council that they approve expenditures through the budget process. He stated that amendment one language is contained in the Charter and Administrative Code but was not followed. He noted the need for Council to understand that they have financial controls.

Mr. Younger questioned the need for amendment one. Mr. Waltman stated that it was to reiterate the policy.

Mr. Spencer questioned if the Administration would report back to Council on the spending of the bond. Mr. Geffken stated that Council has already been informed how the bond would be spent.

Mayor McMahon suggested that once the proceeds are received that Council receive a list of amounts and how the fund was spent. Mr. Geffken agreed to supply the list to Council. Mr. Younger stated that the Administration must spend it as it was explained to the Court.

Mr. Edelman voiced his agreement with Mr. Younger.

- Ordinance establishing the Main Street Board

Ms. Katzenmoyer explained that the membership will be changed from six to nine members. She stated that one applicant is currently sitting on another board. She questioned if members of this Board would be able to serve on multiple boards concurrently. Mr. Younger stated that the Charter cannot be circumvented.

Ms. Kelleher stated that an ordinance for introduction needs to be added to this evening's agenda at the request of the Administration. The ordinance increases the amounts for non-meter parking violations.

The meeting adjourned at 6:54 pm.

Respectfully
Submitted
Linda A. Kelleher, CMC
City Clerk

